

## AFDC – Foster Care

### DESCRIPTION OF MAJOR SERVICES

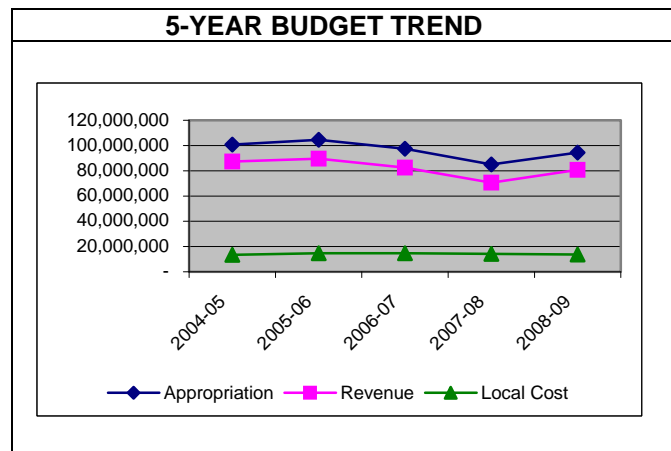
This program provides aid payments for children living in foster homes and group-care facilities. The Foster Care caseload consists of cases from both the Department of Children's Services (DCS) (approximately 90%) and Probation (approximately 10%). The cost of Probation related foster care cases is approximately 4.5 times greater than DCS cases due to the higher levels of care required for these juveniles.

There are two funding eligibility criteria in the Foster Care Program, federal (federal, state and county participation) and non-federal (state and county only). Foster Care placements are generally eligible for federal financial participation if the parents meet the previous Aid to Families with Dependent Children (AFDC) Program criteria.

- For federally eligible (federal) cases, the cost-sharing ratios are approximately 40% federal, 25% state, and 35% county.
- For non-federally eligible (non-federal) cases, the cost-sharing ratio is 40% state and 60% county.
- All county share-of-cost is mandated and is reimbursed from Social Services Realignment and the county general fund.

There is no staffing associated with this budget unit. Staff that provide these services are budgeted in the Human Services Administration budget unit.

### BUDGET HISTORY



### PERFORMANCE HISTORY

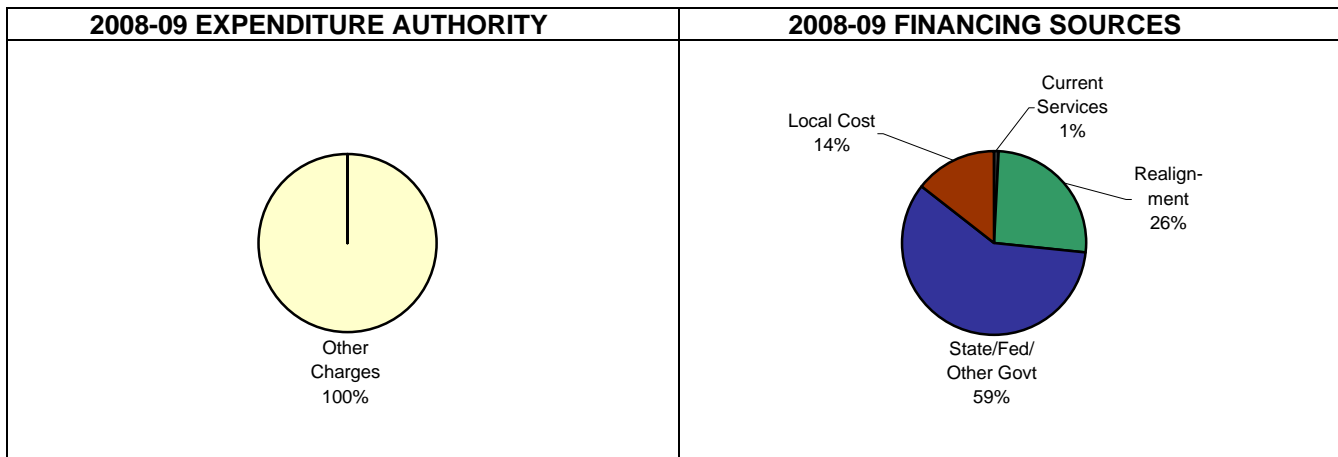
	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	96,488,529	94,195,015	85,014,346	85,012,850	84,950,771
Departmental Revenue	82,904,560	79,357,104	70,199,472	70,736,762	70,814,219
Local Cost	13,583,969	14,837,911	14,814,874	14,276,088	14,136,552

Foster Care has experienced a slow but steady decline in recent years, partly due to cases shifting from the Foster Care program into the Kin-Gap program, as well as a decrease in the number of petitions filed. This decline began to stabilize in 2006-07, and the 2007-08 budget was adjusted accordingly. Non Federal cases continue to decrease and Federal cases have begun to increase, resulting in an estimated 3% increase.

The Federal average grant is estimated to be 5% lower than budgeted. The Non-Federal average grant is estimated to be 13% higher than budgeted. This can be attributed to a change in the eligibility status of Emergency Assistance cases. In May 2007, the State reclassified them as Non-Federal cases. Previous to this change they were classified as Federal cases but are now funded only by the state and counties.

Although the Governor approved a 5% COLA, effective January 2008, decreased caseload during the first half of 2007-08 should allow expenditures to remain within 2007-08 appropriation.

## ANALYSIS OF PROPOSED BUDGET



GROUP: Human Services  
DEPARTMENT: AFDC - Foster Care  
FUND: General

BUDGET UNIT: AAB BHI  
FUNCTION: Public Assistance  
ACTIVITY: Aid Programs

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Other Charges	95,519,773	93,317,246	85,014,346	84,950,771	85,012,850	94,387,086	9,374,236
Transfers	968,756	877,769	-	-	-	-	-
Total Appropriation	96,488,529	94,195,015	85,014,346	84,950,771	85,012,850	94,387,086	9,374,236
<b>Departmental Revenue</b>							
Realignment	25,839,465	20,934,763	19,736,012	20,013,558	21,336,609	24,377,815	3,041,206
State, Fed or Gov't Aid	56,225,689	57,335,742	49,706,375	50,000,661	48,600,153	55,648,769	7,048,616
Current Services	819,252	1,060,578	742,337	800,000	800,000	800,000	-
Other Revenue	20,154	26,021	14,748	-	-	-	-
Total Revenue	82,904,560	79,357,104	70,199,472	70,814,219	70,736,762	80,826,584	10,089,822
Local Cost	13,583,969	14,837,911	14,814,874	14,136,552	14,276,088	13,560,502	(715,586)

Other charges of \$94.4 million represent aid payments for children living in foster homes and group-care facilities. The \$9.4 million increase is due to anticipated over-all caseload and grant increases. Included are expenditures of \$1.2 million for the Transitional Housing Program-Plus that will be used for support services for youth exiting foster care. This program is 100% state funded.

Foster Care caseload has experienced a decline in recent years, partly due to cases shifting from the Foster Care program into the Kin-Gap program. This decline has stabilized and is projected to increase 5% in 2008-09.

Effective January 2008, the Governor approved a 5% COLA, therefore the average grant is projected to increase 5% in 2008-09. It is unclear whether this COLA will be rescinded in 2008-09.

Departmental revenue is projected to increase \$10.1 million due to increasing caseload and grant costs.

Despite the anticipated caseload, the projected revenue increase should be sufficient to result in net local cost savings of approximately \$0.7 million. This local cost savings will be utilized in other HS Subsistence Budget units to enable HS to remain within local cost targets, overall.